SunSure Performance Guarantee

(the "**Guarantee**")

KEY FACTS

This Guarantee sets out the terms on which we give you a guarantee in relation to the performance of your Solar PV System.

For a period of 20 years from the date when the Solar PV System becomes eligible for FIT payments from the FIT Licensee ("**Guarantee Period**"**)**, we will pay you a SunSure Payment if your Solar PV System fails to generate 95% of the number of kWh it is estimated in the iQuote that the Solar PV System will produce in a Production Year ("**Guaranteed Yearly Amount of kWh**").

The SunSure Payment takes into account: (i) the difference between the Guaranteed Yearly Amount of kWh and the actual amount of kWh produced by your Solar PV System in the applicable Production Year; less (ii) Surplus kWh generated by your Solar PV System in previous Production Years. If the Surplus kWh from previous Production Years is greater than the difference between the Guaranteed Yearly Amount of kWh and the actual amount of kWh produced by your Solar PV System you will not be entitled to a SunSure Payment.

We use an Average Annual Electricity Unit Price, which is published by the UK Department of Energy & Climate Change ("**DECC**"), to calculate any SunSure Payment due to you. This price may not be the same as you pay your energy supplier for electricity. Our SunSure Payment calculation is also based on the Export Tariff and Generation Tariff as set by Ofgem. We assume that you will export 50% of the electricity you produce to the electricity grid when calculating the SunSure Payment. You can find out more about how we calculate the SunSure Payment in the sections below.

The amount you receive for a SunSure Payment may be impacted by extreme weather events, changes to the sources of information we use for calculating the SunSure Payment and defects to the Solar PV System that are not caused by us or our workmanship. You can find out more about the impact of these events in the sections below.

To qualify for the Guarantee, you must allow us to monitor the performance of your Solar PV System so that we can measure the kWh generated by your Solar PV System. Monitoring will take place remotely and you must keep the Solar PV System's hardware connected to the Internet so that this monitoring can take place. Occasionally we may also need to visit your property and be allowed reasonable access to the Solar PV System so that monitoring can take place.

Please note your participation in the Guarantee is optional.

1) Definitions

"Average Annual Electricity Unit Price" means the most recently published overall average variable unit price for standard electricity in the UK published by DECC through its or the UK government's website;

"Export Tariff" means the FIT export payment rate set by DECC and applied to your Solar PV System when it becomes eligible for FIT payments from the FIT Licensee (as amended from time to time by Ofgem, DECC or the UK Government);

"**FIT**" means Feed-in Tariff;

"**FIT Licensee**" means the energy provider who is licensed to make FIT payments to you;

"**Generation Tariff**" means the FIT generation payment rate set by DECC and applied to your Solar PV System when it becomes eligible for FIT payments from the FIT Licensee (as amended from time to time by Ofgem, DECC or the UK Government);

"**iQuote**" means the written quotation issued by us and which forms part of our contract with you for the installation of the Solar PV System and any subsequent changes we agree with you to the information set out in the iQuote including changes to the: (i) Solar PV System; (ii) estimated number of kWh the Solar PV System will produce during a Production Year; and (iii) applicable Export Tariff, Generation Tariff and Average Annual Electricity Unit Price;

"**Production Year**" means each year from the date when the Solar PV System becomes eligible for FIT payments from the FIT Licensee;

"**Shortfall in kWh**" means the difference between the Guaranteed Yearly Amount of kWh and the actual amount of kWh produced by your Solar PV System in the applicable Production Year **less** any Surplus kWh;

"**SunSure Payment**" means the sum ("n") calculated in accordance with section 3 of this Guarantee (see section entitled "*Calculation of SunSure Payment*");

"**Solar PV System**" means the residential solar photovoltaic system installed by us at your property; and

"**Surplus kWh**" means the amount of kWh generated by your Solar PV System in previous Production Years which exceeded the Guaranteed Yearly Amount of kWh and which has not already been used to reduce the amount of Shortfall in kWh in a previous Production Year.

2) Performance Guarantee

a) During the Guarantee Period, we will pay you a SunSure Payment if your Solar PV System fails to generate the Guaranteed Yearly Amount of kWh.

3) Calculation of the SunSure Payment

a) The SunSure Payment is calculated using the following formula:

(a x b) + (c x (a x 0.5)) + (d x (a x 0.5)) = n

Where:

(i) Shortfall in kWh = "**a**";

(ii) Generation Tariff = "**b**";

(iii) Export Tariff = "**c**";

(iv) Average Annual Electricity Unit Price = "**d**"; and

(v) we assume that you would have consumed 50% of the Shortfall in kWh and exported 50% of the Shortfall in kWh to the FIT Licensee during the Production Year.

b) *Example: You have a Production Year spanning from 1 July 2015 to 30 June 2016, an average annual electricity unit price of 14 pence per kWh, a Generation Tariff of 12.47 pence per kWh, and an Export Tariff Price of 4.85 pence per kWh.*

Your iQuote estimated that your Solar PV System would generate 5000 kWh in the Production Year. We will pay you a SunSure Payment if your Solar PV System fails to generate 95% of the estimate in the iQuote. Your Guaranteed Yearly Amount of kWh is therefore 4750 kWh (which is 95% of the estimated 5000 kWh set out in the iQuote).

If in the Production Year your Solar PV System only produces 4500 kWh, you would have a Shortfall in kWh of 250 kWh. The Shortfall in kWh is calculated by subtracting the amount of kWh your Solar PV System produces in the Production Year (4500) from the Guaranteed Yearly Amount of kWh (4750).

a= 250 kWh
b = £0.1247
c = £0.0485
d = £0.14

(250 x 0.1247) + (0.0485 x (250 x 0.5)) + (0.14 x (250 x 0.5)) = £54.74

You *will receive a payment of GBP £54.74 - within thirty (30) days of 30 June 2016.*

The example above assumes that no extreme weather conditions, such as described in section 3 (f) below, have occurred and there is no Surplus kWh.

c) We will pay the SunSure Payment to you within thirty (30) days after the end of the Production Year by means of a bank transfer to your bank account.

d) Please note that we may, at a future date, change the payment date for the SunSure Payment to a date that is not set by reference to the Production Year. For example, we may move to a yearly, quarterly or monthly payment date that all our customers are paid on at the same time. We will inform you, usually by email, before changing the date your next SunSure Payment is due.

e) **Surpluses**
Any Surplus kWh will count towards subsequent years and will be used to reduce future Shortfall in kWh. Where Surplus kWh has already been used to reduce a Shortfall in kWh it will not be counted again in calculations relating to SunSure Payments in future Production Years.

f) **Extreme Weather**
You acknowledge that the Guaranteed Yearly Amount of kWh is based on average weather conditions over the last 10 years as determined by the Met Office Sheffield weather readings published on its website www.metoffice.gov.uk and especially the average amount of sun hours. If the average sun hours for a Production Year are 15% less than the average sun hours for the previous 10 years before the start of the Guarantee Period, we may make a proportionate adjustment to the Guaranteed Yearly Amount of kWh to reflect this change. If sun hour statistics are not available for a complete 10 year time period, we will average the sun hours using the nearest time period under 10 years that sun hour statistics have be published for. For example, if only 9 years and 11 months of sun hour statics are available (and not a full 10 years), we will calculate the average sun hours from the 9 years and 11 months period. If the Met Office Sheffield weather readings are no longer available, a replacement weather reading location reasonably selected by us and which may include readings from the UK Met Office in different cities will be used.

g) **Feed-in Tariff (FIT)**
You acknowledge that the FIT payment rates that will be used in calculating the SunSure Payment under this Guarantee are the FIT payment rates which are designated by Ofgem as being applicable to your Solar PV System at the start of each Production Year. The applicable FIT payment rates could be different from the FIT payment rates set out in the iQuote. For example, changes agreed between you and us to the specification of your Solar PV System, which are agreed after the iQuote is first provided to you, could result in different FIT payment rates being applicable. Also between the time when we produce the iQuote and your Solar PV System becomes eligible for FIT payments from the FIT Licensee, the applicable FIT payment rates may change

h) **Deemed Consumption**
For the purpose of calculating the SunSure Payment, we will always assume that you use 50% of the electricity produced by your Solar PV System. This "deemed self-consumption rate" is used in our calculations above and is fixed by us and cannot be substituted for a different self-consumption rate provided by you or a third party.

4) Situations where this Guarantee does not apply

a) If any loss of electricity production or inaccurate monitoring or recording of kWh generated by the Solar PV System result from one or more of the following situations:

i) an unauthorised third party has (re)installed, removed, repaired or conducted maintenance on your Solar PV System (you must have our written consent before allowing a third party to (re)install, remove, repair or conduct maintenance on your Solar PV System);
ii) damage to your Solar PV System or its ability to produce energy that was not caused by us or a party approved by us (example: a falling tree, damage by animals or damage inflicted during maintenance);
iii) you fail to properly use, look after or maintain your Solar PV System in accordance with the user manual or cooperate with us to maintain your Solar PV System;
iv) you fail to maintain an internet connection and keep the Solar PV System connected to it;

v) increase of shade (e.g. as a result of growing plants, snow gathering on the Solar PV System or new constructions); or
vi) any other defect in the Solar PV System which is not due to: (i) our fault; or (ii) our workmanship,

b) When electricity production or accurate monitoring or recording of kWh cannot be restored within a reasonable period of time (usually 3 months from us notifying you about the situation) to the intended performance level of your Solar PV System when it is functioning properly, we may end this Guarantee and will not be under an obligation to make further SunSure Payments to you.

c) Where any situation described in section 4(a) occurs and can be resolved within in a reasonable period of time (usually 3 months from us notifying you about the situation), we will estimate the kWh your Solar PV System would have produced (had it been working to the intended performance levels of your Solar PV System when it is functioning properly) during the time that the system suffered reduced electricity production or was not providing accurate readings of kWh generated. We will reduce any Shortfall in kWh by this estimated amount when calculating any relevant Shortfall Payment.

5) Monitoring the Solar PV System

a) So that your Solar PV System's performance can be monitored and calculations of the SunSure Payment made, you will need to establish and maintain an internet connection through the Solar PV System's hardware so that we may regularly measure and register the kWh you generate.

b) You must also allow us to have reasonable access to your property and the Solar PV System so that we can inspect and monitor the system where we detect performance issues such as lower than estimated kWh generation.

6) Replacement Figures or Readings

a) To the extent that any of the measurements, figures or values relied on in this Guarantee are no longer publicised or otherwise are no longer readily available or become unreliable or inaccurate, we may substitute the relevant measurement, figure or value with data from a reasonably comparable source. Such substitution will be at our reasonable discretion.

b) If Ofgem, DECC or UK Government stops or suspends the FIT scheme before the end of the period of time covered by this Guarantee, we will no longer include the Generation Tariff or Export Tariff in our calculations of the amount (n) owed to you. The amount (n) will be calculated instead on the basis of 50% of the Shortfall in kWh less the Surplus kWh multiplied by the Average Annual Electricity Unit Price. The reduction of the Shortfall in kWh by 50% is used to represent the electricity it is deemed you would have consumed for your own use at your property and therefore would not be available to feed-in to the electricity grid.

c) If the Generation Tariff or Export Tariff is increased by Ofgem, DECC or the UK Government by more than the UK Retail Price Index we may, at our reasonable discretion, substitute the Generation Tariff or Export Tariff with a value which is reasonably comparable to the average Generation Tariff or Export Tariff in previous Production Years (excluding the year where the tariff(s) increased above the UK Retail Price Index). Such substitute Generation Tariff or Export Tariff will then be applied by us to the calculation of any SunSure Payment made during the rest of the Guarantee Period. At our reasonable discretion we may increase the substitute Generation Tariff or Export Tariff in line with the Retail Price Index.

7) Changes to the Terms of this Guarantee

a) We can make changes to this Guarantee where we are required to do so due to: (i) a change in the law that impacts this Guarantee; (ii) changes to the FIT scheme by the UK Government which prevent us from fulfilling our obligations under this Guarantee; (iii) where we need to clarify something in this Guarantee; or (iv) as otherwise described in this Guarantee. We will usually communicate such changes to you by email and in accordance with the Sungevity Terms and Conditions of Sale.

If you do not agree with the changes, please contact us to discuss.

In the unlikely event that we are unable to satisfactorily address your concerns please follow the procedure for resolving disputes set out in the Sungevity Terms and Conditions of Sale.

8) Inconsistent Terms

a) In the event that the terms of this Guarantee are inconsistent with or contradict the terms of the Sungevity Terms and Conditions of Sale, the terms of this Guarantee will apply to this Guarantee instead of the inconsistent or contradictory term in the Sungevity Terms and Conditions of Sale.